

# State of New Jersey

American Rescue Plan Act – State & Local Fiscal Recovery Funds

**2021**

## Recovery Plan Performance Report



Date Submitted to U.S. Treasury: August 31, 2021

Philip D. Murphy, Governor

Sheila Y. Oliver, Lt. Governor, Commissioner of the Department of Community Affairs

# Table of Contents

	<u>Page</u>
<b><u>Executive Summary</u></b> .....	<b>3</b>
<b><u>Section I. Use of Funds</u></b> .....	<b>4</b>
<b><u>Section II. Promoting Equitable Outcomes</u></b> .....	<b>6</b>
<b><u>Section III. Community Engagement</u></b> .....	<b>13</b>
<b><u>Section IV. New Jersey Labor Practices</u></b> .....	<b>16</b>
<b><u>Section V. Use of Evidence</u></b> .....	<b>18</b>
<b><u>Section VI. Table of Expenses by Expenditure Category</u></b> .....	<b>20</b>
<b><u>Section VII. Project Inventory</u></b> .....	<b>21</b>
<b><u>Section VIII. List of Projects as of July 31, 2021</u></b> .....	<b>22</b>
<b><u>Section IX. Ineligible Activities: Tax Offset Provision</u></b> .....	<b>27</b>

## **Executive Summary**

The Murphy Administration worked with the State Legislature in June 2021 to commit approximately \$2.4 billion of New Jersey's \$6.2 billion in State Fiscal Recovery Fund (SFRF) moneys as part of the State's annual budget process. The Administration—led by the Governor's Disaster Recovery Office and the Department of Community Affairs' Division of Disaster Recovery and Mitigation—is now working to stand up over 40 individual programs that respond to the most urgent COVID-19 response and recovery needs across public health, negative economic impacts, and services to disproportionately impacted communities.

This \$2.4 billion in funding primarily focused on programs that prevent evictions, ensure services for students with special needs who lost critical learning time last year, support small businesses that have been heavily impacted by the social distancing measures necessitated by the pandemic, and prepare our regional hospitals for the next public health emergency. The State is also making substantial investments into school facilities, the child care industry, and other impacted industries in need of immediate assistance.

To allocate the remaining approximately \$3.8 billion, the Governor will make proposals to the Legislature's six-member Joint Budget Oversight Committee (JBOC). The Governor is able to use \$200 million in SFRF for pandemic-related programs of less than \$10 million without JBOC approval.

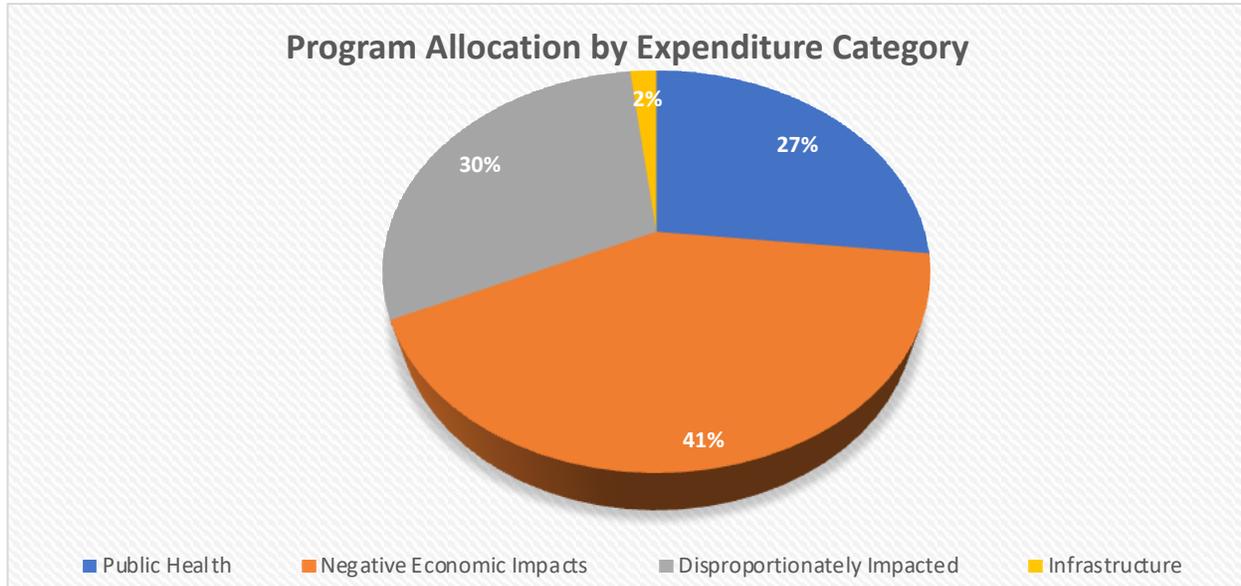
From the outset, the Murphy Administration worked to address the most-immediate needs through conversations with State agencies and our partners in the State Legislature. The Administration has also established a public input process as it considers future programming. Over the course of several public "listening" sessions, with more planned for this fall, the State solicited input from hundreds of individuals and community organizations. To further maximize public awareness and participation in the planning process, the State has solicited comments through a public portal. Governor Murphy looks forward to working with Legislative partners to make critical, high-impact, and one-time investments in New Jersey's restart and recovery.

Equity has been and will continue to be a foundational issue in the State's use of Fiscal Recovery Funds. New Jersey's initial strategy to promote equity for underserved, marginalized, and adversely affected groups has been to provide direct benefits and services to individuals and families who have the greatest and most immediate need as a result of the pandemic. For New Jersey, these groups include women, minorities, and the economically disadvantaged. As described herein, the State's planned rental/utility assistance, education, small business, and public health support programs that provide direct aid to each of these disadvantaged groups.

Going forward, the Murphy Administration will work with the Legislature and other partners to design programs geared toward the long-term equitable distribution of funding by ensuring that programs and projects consider the groups intended to be served, amplify public awareness of programs, and require data gathering to review program performance toward meeting the goal of serving traditionally marginalized communities.

## Section I: Uses of Funds

Governor Murphy and the Legislature worked together to dedicate \$2.4 billion in SFRF towards New Jersey's most immediate statewide needs as detailed in the following Expenditure Categories ("ECs"):



**a. *Public Health (EC 1)***

- a. The State's public health commitments include \$450 million to strengthen emergency preparedness infrastructure at Level 1 Trauma Centers in each of the State's three regions, and \$180 million for the School and Small Business Energy Efficiency Stimulus Program, which will promote the sustainability of HVAC and water systems within our schools and small businesses.

**b. *Negative Economic Impacts (EC 2)***

- a. The State's commitments include \$750 million for the Eviction Prevention Program, which includes funds for rental and utility assistance, and will complement other ARP funding for the Emergency Rental Assistance Program and Low-Income Energy Assistance Program/ Low Income Household Water Assistance Program.
- b. Commitments also include \$135 million for small business relief grant programs. These funds continue the investment of successful State-funded and Coronavirus Relief Fund-supported programs from 2020.
- c. The State has also committed \$25 million for Commuter and Transit Bus Private Carrier Relief and \$15 million for the Meadowlands Complex to provide aid to the impacted travel and tourism industries.

**c. *Services to Disproportionately Impacted Communities (EC 3)***

- a. The State's commitments include \$600 million to provide special education services to certain students above the age of eligibility for the next three school years.
- b. They also include \$100 million for a Child Care Revitalization Fund, which will complement spending from the American Rescue Plan's Child Care Stabilization Grants and Child Care Development Block Grant. Some of this spending will go

---

toward immediate staff recruitment and retention support, while some funds will enable longer-term facilities upgrades.

d. *Premium Pay (EC 4)*

e. *Water, sewer, and broadband infrastructure (EC 5)*

a. The State has committed \$20.5 million for priority water and sewer infrastructure projects at the former army installation Fort Monmouth and in Camden City.

f. *Revenue Replacement (EC 6)*

## **Section II: Promoting Equitable Outcomes**

Equity is a foundational issue for both the expenditure of SFRF and the Murphy Administration's spending priorities. Per U.S. Treasury guidance, the State is expected to provide its efforts to date and intended outcomes to promote equity in the expenditure of SFRF. Because the State has only recently created many of its initial SFRF programs, and because program goals and intended outcomes are still being defined for programs to be created in the coming years, individual equity measures by program and for the overall portfolio will continue to be defined.

Please allow the following to describe the State's efforts to date to promote equitable outcomes in our most urgent response and recovery programs. Subsequent annual reports will provide updates using qualitative and quantitative data on the State's progression toward equitable outcomes across the entire SFRF portfolio of programs.

### **1) Initial Equity Goals**

New Jersey's initial strategy to promote equity for underserved, marginalized, and adversely affected groups has been to provide direct benefits and services to individuals and families who have the greatest and most immediate need. For New Jersey, these groups include care takers, minorities, and the economically disadvantaged.

The largest current SFRF commitments support low-to-moderate income individuals who have been disproportionately impacted by the pandemic, particularly as it relates to housing and child care supports, in addition to small business support.



### Eviction Prevention Program

The \$750 million Eviction Prevention Program provides rental and utilities assistance for those with very low (less than 30 percent of area median income (AMI) to moderate (between 80 and 120 percent) incomes. This program is intended to ensure that recipients can remain in their homes to avoid homelessness or the prospect of eviction. Additionally, funds will be made available to ensure that low-income individuals and families have access to free legal services for eviction protection matters.

Evictions can be both a result and a cause of inequity for people of color. A recent Harvard Joint Center for Housing Studies report found that “Black and Hispanic renter households in particular were twice as likely as white renter households to be behind on housing payments and twice as likely to report being at risk of eviction.”<sup>1</sup> These funds will reduce housing insecurity and mitigate some of this risk.

### Child Care Revitalization Program

The \$100 million Child Care Revitalization Program takes a three-fold approach in addressing inequities. First, this initiative ensures that child care providers serving low-income families can sustain and provide for the continuity of quality services for children. Additionally, this initiative will ensure continued access to child care services, in light of the fact that nearly 10 percent of child care providers have closed operations temporarily or permanently, and will allow New Jersey the capacity to avoid waiting lists. Without this critical service, even the most essential workers—from doctors, to truck drivers, to child protection workers—could be left unable to perform their critical duties in order to care for their children, creating a substantial risk to both the economic interests and the safety of our communities.

Secondly, this initiative provides financial assistance to child care workers earning \$50,000 or less annually. Child care workers have historically been placed among the lowest paying occupations, making minimum wage or slightly above minimum wage, in an industry comprised overwhelmingly of women and drawing significantly from underserved communities. According to U.S. Department Labor Data, approximately 93 percent of child care workers are women and approximately 45 percent are Black, Asian, or Latino. By supporting these essential workers, incentives are created to promote sustainability of small and micro business in the child care sector, 50 percent of which are minority-owned. This effort to address under-compensation within the industry, therefore, will positively impact disproportionately impacted communities. Beyond that, however, the effort to make child care more flexible will have a broader and more profound impact on marginalized communities either geographically separated from or otherwise unable to realize benefits of available child care resources.

Lastly, this child care initiative makes critical changes to the way child care is regulated and governed to ensure that the industry emerges from this crisis better situated both to meet the needs of future crises, and to encourage greater equity and compensation for child care providers and workers.

---

<sup>1</sup> Sophia Weeden, BLACK AND HISPANIC RENTERS FACE GREATEST THREAT OF EVICTION IN PANDEMIC, Joint Center for Housing Studies of Harvard University, Cambridge, MA, Published January 11, 2021, <https://www.jchs.harvard.edu/blog/black-and-hispanic-renters-face-greatest-threat-eviction-pandemic>

### Special Education Services Program

The SFRF funds will also be utilized to address the disproportionate impact of COVID-19 on students with disabilities by providing additional or compensatory special education and related services for those students with disabilities who exceed, or will exceed, the current age of eligibility for special education and related services over the next three school years. As the US Department of Education’s Office for Civil Rights noted, “for students whose needs require hands-on, face-to-face interaction...COVID-19, in some cases, brought services to a stand-still.”<sup>2</sup> The pandemic’s impact on educational instruction has, to varying extents, affected all school-aged children who were left with using remote platforms either intermittently or fully to learn core curriculum standards, but has been especially damaging to Special needs students. The ordered closure of school buildings, training facilities, and other places of business or employment where students with disabilities would otherwise receive critical adult-living skills, job training or coaching, and other crucial independent-living skills prevented students with disabilities, during their final year of eligibility, from receiving these necessary services. As such, this program intends to provide those missed services to students with disabilities, who but for this program, would no longer be eligible for such services.

### School and Small Business Energy Efficiency Stimulus Program

The School and Small Business Energy Efficiency Stimulus Program is intended to promote the long-term sustainability of HVAC and water systems within our schools and small businesses. This grant program requires that 75 percent of projects funded “are to be in schools and small businesses located in underserved communities.” Moreover, 25 percent of those small businesses are required to be minority and/or women-owned. New Jersey recognizes that many small businesses already did not have sufficient funding to replace or maintain HVAC and plumbing equipment. The COVID-19 pandemic has only exacerbated impacted small business’ ability to maintain efficient air and water systems. Therefore, this program seeks not only to reduce COVID-19 transmission in New Jersey, but also to help update antiquated air and water systems to keep our students and residents healthy and safe.

## **2) Awareness of SFRF Programs for all New Jersey Residents**

The State is utilizing various avenues of communication and outreach to ensure awareness of SFRF funding. Namely, engaging stakeholder and community-based organizations to strengthen outreach efforts and using our county/municipal partners and non-profits who have regular and direct contact with residents to help with information flow. Moreover, numerous media and technology platforms are being used to promote awareness to include websites and social media. Agencies are also ensuring that marketing materials are translated in multiple languages and there is appropriate access to interpretation services.

---

<sup>2</sup> U.S. GOV’T ACCOUNTABILITY OFFICE, GAO-21-43, DISTANCE LEARNING: CHALLENGES PROVIDING SERVICES TO K-12 ENGLISH LEARNERS AND STUDENTS WITH DISABILITIES DURING COVID-19, at 9-11 (Nov. 2020), <https://www.gao.gov/products/gao-21-43>. 147 (reporting that “[s]chool officials told [GAO] that delivering related services—such as occupational therapy, physical therapy, or speech therapy—for students with complex needs was particularly difficult in a virtual setting,” and that other officials “raised concerns about students not receiving services in the same manner as they did prior to distance learning, including occupational and physical therapy that involved hands-on instruction from therapists or required specialized equipment unavailable in students’ homes”).

Investments have been made in maintaining call centers where individuals can access information 7 days a week for 12 hours per day. Specifically, the Eviction Prevention Program allows callers to ask questions, submit pre-applications for assistance over the phone, and submit self-certifications for eviction prevention over the phone – all of which can be accommodated in 10 different languages. This mechanism is important to expand access to those who have traditionally had language and technology challenges.

Moreover, the Murphy Administration has invested in strengthening marketing and outreach efforts through the support of marketing agencies whose expertise facilitates targeted and evidence-based approaches. The State's efforts to ensure equitable access to small business assistance resources were supported by several leading marketing agencies to coordinate targeted outreach to minority-, women-, veteran, and LGBTQ-owned businesses, particularly within economically distressed communities.

### **3) Equitable Access and Distribution**

The Murphy Administration recognizes the existence of historical and institutional processes and structures that challenge equitable access, benefits, and services among certain groups, and remain committed to making programs widely accessible to all New Jersey residents. Here are some of the measures taken by the State to ensure equal access to SFRF funded benefits and services.

One focus has been ensuring access to benefits by removing possible barriers to meeting deadlines. Specifically, rolling lottery systems are being used in our housing initiatives, as this system has been identified as a best practice for equitably distributing funds. Per the National Low Income Housing Coalition, "first-come, first-serve" processes have been shown to be more difficult for the lowest income and historically underserved households to access, and a series of rolling lotteries as opposed to one brief closed lottery period allows more time to conduct outreach and ensure all vulnerable households have the opportunity to apply. While this system is more labor-intensive to administer, it ensures greater equity of access to benefit for NJ residents.

Another approach has been to set-aside grant funding for specific populations. The New Jersey Economic Development Authority's (EDA) Small Business Emergency Assistance Grant Program set aside a third of funding for businesses in census tracts eligible for New Market Tax Credits (or Opportunity Zone designations) because they meet the definition of a low-income community. This program will directly benefit businesses serving low-income and distressed communities where the poverty rate is 20% or above, or a median family income up to 80% of the statewide median. The goal is to improve economic conditions and strengthen equitable development in these communities that are prevalent with high unemployment rates and low property values.

The set aside approach has also been used as it relates to promoting environmental equity. The state's School and Small Business Energy Efficiency Stimulus Program is intended to promote the long-term sustainability of HVAC and water systems within our schools and small businesses. This grant program requires that 75 percent of projects funded be in schools and small businesses located in underserved communities, and requires that 25 percent of those small businesses be minority and/or women-owned.

#### 4) Driving Equitable Outcomes

##### Initial Programs:

Preliminarily, the Murphy Administration is committed to examining three key areas pertinent to promoting racial and economic equity through the use of State Fiscal Recovery Funds:

- Housing opportunities,
- Economic support for small businesses, and
- Educational attainment.

These three areas are critical to closing gaps between groups and breaking down generational obstacles to equal opportunity. New Jersey has addressed each of these three areas in its first phase of State Fiscal Recovery Fund initiatives, which focus primarily on addressing the emergent needs of those most impacted by the pandemic. Unfortunately, those populations are frequently a part of historically marginalized communities.

The intended outcomes sought by the implementation of policy and programs supported by these funds largely depend on the nature of the program. For instance, the Special Education Eligibility Extension seeks to close the gap created by school closures which put special needs students at a disadvantage, due to the loss of community based, transition services, or in-person learning. Small business grant programs are being tracked by the number and percentage of grants to minority and women-owned businesses, as well as by location to determine whether Opportunity Zones are being served to determine serve levels to these disadvantaged communities. Likewise, housing assistance programs that will serve low-income and disadvantaged communities will be tracked by the beneficiaries' income levels and locations.

As it relates to economic equity, New Jersey has prioritized programs for low-income populations. The majority of the programs appropriated funding thus far have directly or indirectly impacted low to moderate income individuals and families. The Eviction Protection Program specifically targets those individuals who may have lost income, experienced reduced work hours, or are unemployed due to the fragility of the job market. The State has also ensured that low-income populations have continued access to quality child care services by the various investments made to the child care industry, recognizing the critical role of child care services in the economy's sustainability and growth.

The State has also made significant investments in small businesses, especially those businesses owned by women and minorities, and those distressed and disadvantaged communities. These small business grants not only promote sustainability and growth of the businesses, but promotes the same goals in the communities served by the businesses.

##### Directing Equitable Outcomes Moving Forward:

The State's initial allocation of \$2.4 billion in State Fiscal Recovery Funds responded to emergent needs that will naturally address equity in many underserved communities who were the most severely impacted by the pandemic. The expenditure of the remaining approximately \$3.8 billion in SFRF will focus on the State's long-term recovery from the pandemic but will continue to be directed toward prioritizing economic and racial equity.

The State of New Jersey recognizes that there is no "one-size fits all" approach to equity. Each program, project, or intervention must be specifically tailored toward achieving specific equity

goals. However, driving equitable outcomes where they may not already exist requires direction from State leadership on how to account for, measure, and successfully follow through on addressing needs in underserved communities. To this end, the Murphy Administration will establish an overall Equity Strategic Plan to help agencies prioritize economic and racial equality as programs are being created and to provide guidance on how to effectively insert equity into programmatic decision-making.

To support agencies in thoughtfully implanting economic and racial equity in their State Fiscal Recovery Fund programs, the Governor's Disaster Recovery Office will provide:

- 1) A comprehensive "menu of options" to facilitate agencies in thinking through and responding to the equity mandate as programs are designed; and
- 2) Guidance on tracking and organizing data into existing financial reporting systems for equity reporting purposes.

At the point of initial program design, agencies will be asked to identify one or more equity categories that the proposed program will seek to address. The State's critical equity categories may include race, ethnicity, and gender, as well as issue areas with clear disparities between residents (e.g., housing, education, access to health care).

Proposed programs will also be asked to identify the audience intended to be targeted, which may include:

- Low-to-moderate income individuals/families;
- Minority groups;
- Unemployed/underemployed;
- Homeless or at-risk youth;
- Disabled/special needs population;
- Populations with low educational attainment;
- Small businesses/non-profits/community-based organizations;
- Distressed communities;
- Aging/seniors; or
- Individuals in rural areas.

Once equity groups and audiences are established, programs will be required to define the desired outcome of their intervention related to achieving equity. For instance, key outcomes may include: improving unemployment rates for certain groups of individuals, ensuring greater access to employment opportunities, or ensuring greater educational opportunities.

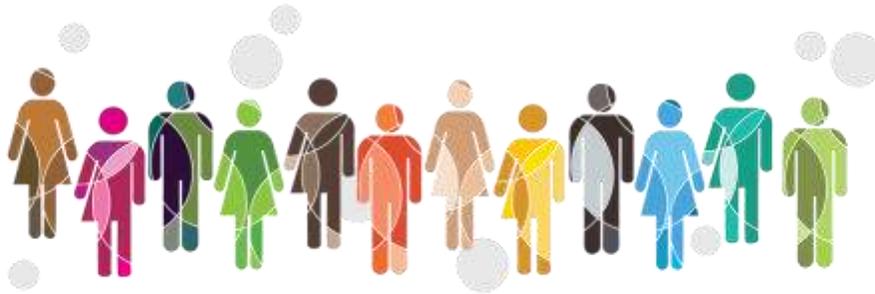
Critically, programs will be required to establish evidence-based outcome measures. These outcomes will serve not only as a guide to promoting equitable outcomes going forward, but they will also serve as key benchmarks for the State of New Jersey to closely monitor with objective, quantifiable data to monitor our overall progress in the area of serving traditionally marginalized communities as part of our recovery from COVID-19. Evidence-based outcome measures may include:

- Examining participation/attrition rates;
- Examining service/benefit utilization analysis;
- Examining performance measures; and
- Geographical and census tract data analysis.

---

To achieve these equity-based goals, the State will take several critical steps to ingrain equity into every level of SFRF decision-making. First, the State will designate “Equity Officers” at State agencies to report back to and receive direction from the Governor’s Disaster Recovery Office on planning, preparedness, and progress in meeting these equity goals. Second, the Governor’s Office will create an Equitable Recovery Working Group to foster a learning community of partners within State government to create recommendations and input on the State’s Equity Strategic Plan. Finally, the State will consider allocating SFRF for evidence-based assets to help analyze and measure each program’s performance in terms of achieving its stated equitable goals.

### **Section III. Community Engagement**



The Murphy Administration held two public listening sessions in late July 2021. Over 200 organizations were invited to give oral testimony to Administration senior staff on recommended uses of funding. The public was invited to send written testimony as well. Additional public listening sessions are planned for fall 2021. In addition to individuals and businesses providing input, the following diverse group of community-based organizations, non-profits, and advocacy groups submitted input:

- 32BJ SEIU (Service Employees International Union)
- ACLU-NJ
- Alliance Center for Independence (ACI)
- American Federation of Teachers New Jersey (AFT NJ)
- ArtPride New Jersey
- Association of State Colleges and Universities
- Bergen Volunteer Medical Initiative (BVMI)
- Bergen Volunteers
- Center for Great Expectations
- Chamber of Commerce Southern New Jersey (CCSNJ)
- Coalition of the Delaware River Watershed
- Communications Workers of America
- Community Options, Inc.
- Displaced Homemakers Network of New Jersey
- Employers Association of New Jersey
- Health Care Association of New Jersey (HCANJ)
- Higher Education Leadership Council
- International Federation of Professional and Technical Engineers
- Isles
- Latino Action Network
- Latino Action Network Foundation
- Mayo Performing Arts Center
- Metro Community Church
- Musconetcong Watershed Association
- New Jersey Black Issues Convention (NJBIC)
- New Jersey Business & Industry Association
- New Jersey Citizen Action
- New Jersey Coalition to End Domestic Violence

- New Jersey Community Schools Coalition
- New Jersey Cultural Trust
- New Jersey Education Association
- New Jersey Emergency Medical Services Task Force
- New Jersey Future
- New Jersey Health Care Quality Institute
- New Jersey Hospital Association
- New Jersey Library Association
- New Jersey Policy Perspective
- New Jersey Restaurant and Hospitality Association
- New Jersey School Boards Association
- Policemen's Benevolent Association Local #105
- Property Tax Fund Advocate
- Regional Plan Association
- Rutgers University
- Salvation and Social Justice
- The Family Success Institute
- The Somerville Historic Advisory Committee
- The Wallace House and Old Dutch Parsonage Association
- The Worker Institute, School of Industrial and Labor Relations, Cornell University
- Tri-State Transportation Campaign
- UFCW Local 360
- United Food and Commercial Workers (UFCW Local 464A)
- United Way of Northern New Jersey

State departments have also held their own engagement sessions.

The Economic Development Authority has hosted webinars and partnered with advocacy groups such as chambers of commerce and county economic development associations. The Authority has hosted over 200 webinars since launching the Small Business Emergency Grant program last year. EDA also has a customer service call center that collects and feeds information back to the program design team and Authority leadership.

The Department of Education has worked through its county offices and partner organizations including the Statewide Parent Advocacy Network to provide information regarding the Special Education Eligibility Extension. In addition, the Department released an initial broadcast memo and subsequent guidance regarding implementation of the program to all school districts.

The Department of Community Affairs plans to hire three regional Community-Based Organization to perform outreach and assist individuals to get enrolled in the Eviction Prevention Program.

The Division of Family Development (DFD) in the Department of Human Services has held multiple roundtables and listening sessions with child care providers before and during the pandemic to capture feedback and understand how COVID impacted the landscape of the industry. In addition, DFD relies on each county's community-based Child Care Resource and Referral (CCR&R) Agency that interfaces with local child care programs to gather feedback and relay relevant information to DFD. These forums have captured feedback in both oral and written

---

forms. In addition, DFD has conducted a number of surveys asking providers key questions to consider when making grant funding available.

As the State builds out the programs already appropriated Fiscal Recovery Funds, and considers additional appropriations with the Legislature, we will continue to engage with a diverse array of individuals and organizations to solicit input on effective ways to ensure that State Fiscal Recovery Funds serve people with significant barriers to services, including people of color, people with low incomes, limited English proficiency populations, and other traditionally underserved groups.

## **Section IV. New Jersey Labor Practices**

The State of New Jersey's robust labor practices protect workers, improve the overall pool of labor talent, and ultimately lead to the successful completion of major public works projects by skilled laborers. Over the years, and particularly under Governor Murphy's administration, New Jersey has made clear that public contracting is a privilege and not a right by instituting laws that guarantee some of the most rigorous worker protections in the country. The following is a brief overview of New Jersey's existing labor practices that will be application to construction projects funded by American Rescue Plan State & Local Fiscal Recovery Funds.

### **I. Prevailing Wage Act**

New Jersey's Prevailing Wage Act, N.J.S.A. 34:11-56.25 *et seq.* (PWA), protects workers engaged in public works as well as their employers from the effects of unfair competition resulting from wage levels that are detrimental to the efficiency and well-being of all concerned. The Act requires the payment of minimum rates of pay to laborers, craftsmen, and apprentices employed on public works projects. Pursuant to the PWA, covered workers must receive the appropriate craft prevailing wage rate as determined by the Commissioner of the Department of Labor & Workforce Development.

In addition to the PWA, the New Jersey State Building Service Contracts Act, N.J.S.A. 34:11-56.58 *et seq.*, establishes prevailing wage levels for employees of contractors and subcontractors furnishing building services in state-owned and state-leased buildings.

To effectively enforce the PWA, New Jersey's standard contract "Terms and Conditions" require compliance with the appropriate State or federal prevailing wage. In almost all cases, the prevailing wage rates for various trade personnel are higher in New Jersey than the federal rates.

### **II. Project Labor Agreements and the Public Works Contractor Registration Act**

Pursuant to N.J.S.A. 34-11-52.38 *et seq.*, a public entity must consider a Project Labor Agreement (PLA) that serves as a pre-hire collective bargaining agreement covering terms and conditions of a project greater than \$5.0 million. A public entity may include a PLA if it finds that the project meets the requirements for a PLA, taking into consideration the size, complexity, and cost of the project. These requirements also include promoting labor stability and advancing the interests of the public entity in cost, efficiency, skilled labor force, quality, safety, and timeliness.

Upon review of a State public works project, the New Jersey Department of Treasury's Division of Property Management & Construction (DPMC) determines whether the statutory criteria for a PLA is met. In addition to the size, complexity, and cost of the project, DPMC considers not only the need for a reliable skilled labor pool needed to complete a project, but also the quality of the work needed, and the need to meet all safety, regulatory, and special requirements of the project.

In many large, complex projects, the PLA will provide a certain level of confidence to the State that a project will be completed in an orderly and timely manner by a skilled labor pool capable of performing quality work and in an efficient and safe manner. In these projects, a PLA will be recommended and negotiated with the local Building Construction Trades Council using the standard State PLA. The project is then advertised with a requirement for a PLA and the

contractor agrees to abide by the PLA at contract award. The PLA then governs the employment of labor on the project from initiation until completion.

On April 30, 2021, Governor Murphy strengthened the State's existing PLA law by signing legislation that promotes workforce diversity in public works projects by requiring any public entity which includes a PLA in a public works contract to include PLA provisions requiring the provision of on-the-job or off-the-job outreach and training programs for minority group members, members of disadvantaged communities, and women. The PLA expansion bill also expands the permissible use of PLAs beyond contracts for building-based public works projects, thus allowing PLAs to also be used for highway, bridge, pumping station, water, and sewage treatment plant projects.

To further promote the development of the State's workforce, New Jersey's Public Works Contractor Registration Act (PWCRA), N.J.S.A. 34:11-56.48 *et seq.*, requires any contractor, or any subcontractor or lower tier subcontractor of a contractor, to be registered with LWD when bidding on a public works contract. Governor Murphy signed a law in 2019 that mandates that all contractors engaging in public work must be participating in a United States Department of Labor "Registered Apprenticeship Program" to obtain an LWD registration under the PWCRA. Unlike other states, there is no opt out of the Registered Apprenticeship Program in New Jersey. This ensures that every dollar spent on public construction in New Jersey at the State, county, or municipal level is invested in expanding and training the current and future construction workforce.

### III. Employee Wages and Benefits Protections

New Jersey's laws ensure that its workers enjoy some of the strongest wage and benefits protections in the country. Every New Jersey worker is legally entitled to minimum wages (currently \$12.00/hour, rising to \$13.00/hour in 2022, \$14.00/hour in 2023, and \$15.00/hour in 2024), earned sick leave, equal pay, temporary disability insurance, family leave insurance, and unemployment insurance. Further, New Jersey has some of the most expansive statutes protecting against civil rights violations and preventing discrimination in the workplace. See, e.g., New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 *et seq.*

In addition to strong legislation to protect workers, the Murphy Administration has more than doubled the number of Wage Hour investigators at the New Jersey Department of Labor & Workforce Development (LWD), and most recently created an Office of Strategic Enforcement and Compliance to coordinate resources and enforcement authorities throughout LWD and across state government to protect workers and compliant employers from the threats of wage theft, employee misclassification, workers compensation fraud, and dozens of other worker protection statutes.

## **Section V. Use of Evidence**

The Administration is currently reviewing suggestions for program proposals and receiving internal and external feedback to determine which eligible programs have moderate and strong evidence bases. Evidence of effectiveness will play an important role as the administration allocates remaining SFRF moneys. Departments would also be expected to demonstrate evidence and program results before receiving additional funds for program.

The Administration is still developing its overarching strategy for evaluating programs and will consider setting aside funds to improve how it uses evidence in program design and review. Two programs that have or will incorporate evidence into program design are the Small Business Emergency Assistance effort and Child Care Revitalization Fund.

### **I. Small Business Emergency Assistance Grants**

The Economic Development Authority has incorporated evidence through for its Small Business Emergency Assistance Grant program, one of the largest small business relief programs in the country. The Small Business Emergency Assistance Grant program was originally designed based upon data/evidence collected through several methods. First, in the very first days of COVID-19 pandemic closures, the NJEDA ran a large-scale small business impact survey that was promoted through numerous community organizations and business engagement channels. The survey instrument was launched in both English and Spanish and received more than 500 responses. Second, the NJEDA team utilized NJ Department of Labor and Workforce Development data to estimate the size of various impacted cohorts of businesses (broken down by company size and industry). Based upon this data, the NJEDA developed the program design for its initial emergency relief grant programs.

Since the launch of the first round of the grant program, NJEDA has been capturing thousands of data points about businesses that are applying for grant assistance. Staff continue to disaggregate and evaluate that application data to better understand the populations of impacted businesses. In some instances, data for companies that applied into multiple rounds of the program, will allow the Authority to evaluate how the emergency was evolving in different parts of the state and across different industries.

Full evidence-based program evaluation has not yet been undertaken as staff are still in the midst of executing program operations. However, at least one outside independent program auditor of the grant program found illustrative evidence that there was a positive correlation between whether a business received an emergency grant and whether they were still in operation. This evaluation was done utilizing following up surveys of businesses that applied for grants and comparing the outcomes of those that received funding vs. those that did not receive funding.<sup>3</sup>

### **II. Child Care Revitalization Fund**

The Administration is taking a multi-departmental approach to implement its \$100 million Child Care Revitalization Fund. As the Economic Development Authority creates a grant program for facilities improvements, it is reviewing child care facilities literature commissioned by the Maher Charitable Foundation so it can target key environmental factors, including:<sup>4</sup>

---

<sup>3</sup> The analysis did not attempt to statistically measure the impact and did not control for other factors that would prove causation.

<sup>4</sup> Sussman (2020).

- 
- Plumbing systems (e.g., bathrooms directly adjacent to classrooms)
  - Physical space and classroom layout
  - Natural playgrounds
  - Activity areas, and
  - Ambient environment

In consultation with the NJ Departments of Human Services and Children & Families, NJEDA may also incorporate the use of such validated and reliable instruments for measuring classroom environmental quality such as the Early Childhood Environment Rating Scale (ECERS).

**Section VI. Table of Expenses by Expenditure Category**

Please see the table below in “Project Inventory” for a list of committed funds by Expenditure Category. As of July 31, 2021, the State has expended \$254,782 under the Expenditure Category 7.1 Administrative Funds.

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
7	Administrative and Other		
7.1	Administrative Expenses	\$254,782	N/A

**Section VII. Project Inventory**

<b>Category<sup>1</sup></b>		<b>Funds Committed</b>
<b>1</b>	<b>Expenditure Category: Public Health</b>	<b>\$630,000,000</b>
	Level 1 Trauma Centers	\$450,000,000
	School and Small Business Energy Efficiency Stimulus Program	\$180,000,000
<b>2</b>	<b>Expenditure Category: Negative Economic Impacts</b>	<b>\$975,000,000</b>
	Eviction and Homelessness Prevention Program	\$750,000,000
	Support for Industries Impacted by COVID-19	\$135,000,000
	Child Care Revitalization Fund (Recruitment Grants)	\$30,000,000
	Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program	\$25,000,000
	World Cup and Meadowlands Complex	\$15,000,000
	Unemployment Processing Modernization and Improvements	\$10,000,000
	New Jersey Performing Arts Center – Operating Aid	\$5,000,000
	Legal Services of New Jersey	\$5,000,000
<b>3</b>	<b>Expenditure Category: Services to Disproportionately Impacted Communities</b>	<b>\$707,000,000</b>
	Special Education Services	\$600,000,000
	Child Care Revitalization Fund	\$70,000,000
	County Special Service Schools	\$10,000,000
	Food and Hunger Programs	\$10,000,000
	Home Lead Paint Remediation	\$10,000,000
	Office of Eviction and Homelessness Prevention	\$5,000,000
	Motor Vehicle Commission Mobile Agency Units	\$2,000,000
<b>4</b>	<b>Expenditure Category: Premium Pay</b>	<b>\$0</b>
<b>5</b>	<b>Expenditure Category: Infrastructure</b>	<b>\$44,000,000</b>
	Fort Monmouth Water and Sewer	\$10,500,000
	Camden City Sewer Disconnect	\$10,000,000
	Lakes Management	\$10,000,000
	Water Quality Accountability Municipal Compliance (Cyber Security)	\$5,000,000
	Local Government Infrastructure Planning	\$5,000,000
	Milltown Water Line Relining	\$2,000,000
	Dredging the Woodbridge Township Marina	\$1,500,000
<sup>1</sup> Please note that this chart reflects the intended use of funds. Each categorization is subject to change as the program details develop and the State determines eligibility.		

## **Section VIII. List of Projects as of July 31, 2021**

The following provides a brief description, expense category, and initial allocation for the State's "Major Projects" (projects >\$100 million) and "Additional Projects" (projects <\$100 million). Per U.S. Treasury guidance, the State is expected to provide "key performance indicators" for each Major Program and to report out on the results of these key performance indicators. Because the State has only recently created many of these programs, and because program parameters are still being structured, there is not currently results on the performance of these programs. Likewise, the dollar amount of total project funding expected to be spent on evidence-based interventions for each project where it is required remains to be determined. Nonetheless, the State has included key performance indicators for Major Programs that are expected to be measured as programs launch. These key performance indicators will be tracked over the coming year and results will be included in the 2022 and beyond reports to U.S. Treasury. Future year reports will also include data on funding allocated toward evidence-based interventions.

### **Major Projects:**

#### **Project No. 1: Special Education Services Funding, \$600 million**

- **Project Expenditure Category:** EC3, Services to Disproportionately Impacted Communities
- **Project Description:** Requires local school districts to temporarily provide special education and related services to certain students who exceed, or will exceed, the current age of eligibility for special education services through the 2023 school year. The services shall be provided based on the student's individualized education program for students who require additional or compensatory special education and related services, including transition services.
- **Key Performance Indicators to be Measured:** Number of students participating; level of achievement.

#### **Project No. 2: Child Care Revitalization Fund, \$100 million**

- **Project Expenditure Category:** EC2, Negative Economic Impacts; EC3, Services to Disproportionately Impacted Communities.
- **Project Description:** Funds will be used to study and provide grants and technical assistance to licensed and registered child care providers to support workforce development and other improvements. The funds will be allocated as follows:
  - \$15.5 million to create workforce development supports and conduct a childcare landscape study.
  - \$54.5 million for the purpose of technical assistance to licensed child care providers and grants to child care providers for facilities improvements.
  - \$30 million for purpose of providing grants to licensed child care providers or employees of licensed child care providers.
- **Key Performance Indicators to be Measured:** Number of students served, number of facilities upgraded, impacts of facility upgrades in terms of students served or level of service, number of child care employees benefited, status of retention of child care employees.

**Project No. 3: Level 1 Trauma Centers – Strengthening Health Emergency Preparedness, \$450 million**

- **Project Expenditure Category:** EC1, Public Health
- **Project Description:** This allocation provides funding to New Jersey’s three designated regional Level 1 Trauma Centers, University Hospital, Newark (north), Robert Wood Johnson University Hospital, New Brunswick (central), and Cooper Hospital/University Medical Center, Camden (south), for the purpose of strengthening regional health emergency preparedness infrastructure in order to be better prepared for future pandemics or other mass-scale events.
- **Key Performance Indicators to be Measured:** Increase in the hospital’s level of health preparedness and health care capacity.

**Project No. 4: School and Small Business Energy Efficiency Stimulus Program, \$180 million**

- **Project Expenditure Category:** EC1, Public Health
- **Project Description:** Establishes the School and Small Business Energy Efficiency Stimulus Program in the Board of Public Utilities. This program is designed to ensure that F lo HVAC systems are upgraded safely to prepare schools and small businesses for operating during the pandemic, to improve the general health and safety of the school and small business environments, and to create jobs across the State. Seventy-five percent of the projects funded are to be in schools and small businesses located in underserved communities.
- **Key Performance Indicators to be Measured:** Number of schools/businesses participating overall, number of schools/businesses participating in underserved communities, quantifiable increase in overall energy efficiency.

**Project No 5: Support for Entities Impacted by COVID, \$135 million**

- **Project Expenditure Category:** EC2, Negative Economic Impacts
- **Project Description:** This program will provide assistance through grants to support eligible entities that experienced negative economic impacts caused by the COVID-19 pandemic. The funding will be allocated as follows:
  - \$55 million for microbusinesses;
  - \$10 million for arts and culture for-profit organizations;
  - \$15 million for food and beverage establishments;
  - \$45 million for businesses and non-profit organizations; and
  - \$10 million for child care providers.
- **Key Performance Indicators to be Measured:** Number of schools/businesses participating overall, number of schools/businesses participating in underserved communities.

**Project No. 6: Eviction and Homelessness Prevention Program, \$750 million**

- **Project Expenditure Category:** EC2, Negative Economic Impacts
- **Project Description:** Provides financial relief to certain landlords and tenants in response to COVID-19 pandemic, adjusts certain court fees; and makes appropriations This program is designed to protect very low-, low-, moderate-,and middle-income households

from residential eviction based on non-payment or habitual late payment of rent, or a failure to pay a rent increase, that accrued between March 1, 2020 and August 2021.

- **Key Performance Indicators to be Measured:** Number of people or households receiving eviction prevention services overall, number of people or households receiving eviction prevention services in underserved areas.

#### **Additional Projects:**

##### **Project No. 7: Office of Eviction Prevention, \$5 million**

- **Project Expenditure Category:** EC3, Services to Disproportionately Impacted Communities
- **Project Description:** Establishes the “Office of Eviction Prevention,” which will be responsible for (1) the identification of all sources of financial assistance that could be used to prevent the eviction of residential tenants; (2) becoming knowledgeable about the application for each program; (3) identify and proposing remedies for the gaps in the overall assistance system. The office would also be responsible for compiling, publishing, and updating this information as well as working with non-profit or community-based organizations to enhance public awareness of the availability and means of accessing assistance.

##### **Project No. 8: Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program, \$25 million**

- **Project Expense Category:** EC2, Negative Economic Impacts
- **Project Description:** The private bus industry, which has historically been a key component of New Jersey’s transportation sector, has been devastated by the negative economic impacts of the pandemic. Accordingly, private bus companies account for about one-third of scheduled bus service in the state, based on passenger miles prior to the pandemic. While some private carrier routes are operated under contract with NJ Transit, many are operated on an at-risk basis by the private companies under their own authority. Private carriers operate routes in 15 New Jersey counties. The Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program will provide private bus companies with assistance through grants to bring back employees and serve passengers on routes that without this relief would have had to be eliminated or cut back.

##### **Project No. 9: World Cup and Meadowlands Complex, \$15 million**

- **Project Expense Category:** EC2, Negative Economic Impacts
- **Project Description:** This allocation of funds will be used by the New Jersey Sports and Exposition Authority to stimulate the region’s economy, reduce the impact of lost revenues directly related to COVID-19, and to host events that communicate the resumption of normal activities that attract tourists to the region.

##### **Project No. 10: Food and Hunger Programs, \$10 million**

- **Project Expense Category:** EC3, Services to Disproportionately Impacted Communities
- **Project Description:** Funding will be distributed to seven New Jersey food banks in order to continue providing families with food assistance during the pandemic.

### **Project No. 11: Legal Services of New Jersey, \$5 million**

- **Project Expense Category:** EC2, Negative Economic Impacts
- **Project Description:** Legal Services of New Jersey will provide free legal assistance to individuals who were negatively impacted during the COVID-19 pandemic, including legal aid for eviction prevention and related issues.

### **Project No. 12: Home Lead Paint Remediation, \$10 million**

- **Project Expense Category:** EC3, Services to Disproportionately Impacted Communities
- **Project Description:** The purpose of the programs is to identify and remediate lead-based paint hazards via interim controls and lead abatement to prevent elevated blood lead levels in children and pregnant women. The program targets municipalities in New Jersey with high reported incidences of elevated blood lead levels in children under age six.

### **Project No. 13: Unemployment Processing Modernization and Improvements, \$10 million**

- **Project Expense Category:** EC2, Negative Economic Impacts
- **Project Description:** The Department of Labor and Workforce Development has received an unprecedented number of unemployment claims caused by the pandemic's negative economic impact that has stressed its operations. This allocation of funds will be used to assist in advancing modernization efforts and system improvements to facilitate claim payments, reduce potential fraudulent claims, or for other related uses.

### **Project No. 14: Motor Vehicle Commission Mobile Agency Units, \$2 million**

- **Project Expense Category:** EC3, Services to Disproportionately Impacted Communities
- **Project Description:** The Motor Vehicle Commission intends to deploy additional mobile agency units in underserved communities that were disproportionately impacted by the closure of local motor vehicle agencies due to the pandemic. The mobile units and additional resources will allow customers the ability to conveniently update their motor vehicle documents in their own communities and neighborhoods without having to visit a physical motor vehicle agency building.

### **Project No. 15: New Jersey Performing Arts Center – Operating Aid, \$5 million**

- **Project Expense Category:** EC2, Negative Economic Impacts
- **Project Description:** Funding is expected to lessen the impact of COVID-19 on the operations of the New Jersey Performing Arts Center.

### **Project No. 16: County Special Service Schools, \$10 million**

- **Project Expense Category:** EC3, Services to Disproportionately Impacted Communities
- **Project Description:** Funding towards New Jersey Joint Council of County Special Services School Districts.

### **Project No. 17: Camden City Sewer Disconnect, \$10 million**

- **Project Expense Category:** EC5, Water, sewer, and broadband infrastructure
- **Project Description:** Funds committed for priority water and sewer infrastructure projects located in the City of Camden.

**Project No. 18: Lakes Management, \$10 million**

- **Project Expense Category:** EC5, Water, sewer, and broadband infrastructure
- **Project Description:** Public Access Lake Stormwater Management Grants to Greenwood Lake Commission, Lake Hopatcong Commission, and other qualified lake management entities.

**Project No. 19: Water Quality Accountability Municipal Compliance, \$5 million**

- **Project Expense Category:** EC5, Water, sewer, and broadband infrastructure
- **Project Description:** Funds committed for priority water and sewer infrastructure projects.

**Project No. 20: Milltown Water Line Relining, \$2 million**

- **Project Expense Category:** EC5, Water, sewer, and broadband infrastructure
- **Project Description:** Funds committed for priority water and sewer infrastructure projects.

**Project No. 21: Dredging the Woodbridge Township Marina, \$1.5 million**

- **Project Expense Category:** EC5, Water, sewer, and broadband infrastructure
- **Project Description:** Funds committed for priority water and sewer infrastructure projects.

**Project No. 22: Local Government Infrastructure Planning, \$5 million**

- **Project Expense Category:** EC5, Water, sewer, and broadband infrastructure
- **Project Description:** Funds committed for priority water and sewer infrastructure projects.

**Project No. 23: Water and Sewer – Fort Monmouth, \$10.5 million**

- **Project Expense Category:** EC5, Water, sewer, and broadband infrastructure
- **Project Description:** Funds committed for planning, survey, design, engineering, construction/installation and replacement of former Army owned water system and sewer system on the former Fort Monmouth military base.

**Section IX. Ineligible Activities: Tax Offset Provision**

The State of New Jersey does not have any ineligible tax offsets for this reporting period.

Item	Amount
a. Revenue-reducing Covered Changes for New Jersey	\$ 0